

**Economics 466: Economics of Population
Course Outline and Reading List
Fall 2011**

Instructor:

David Lam, Professor of Economics, 218 Lorch Hall, 763-9237, davidl@umich.edu
Office hours: Wednesday 2:00-4:00

Graduate Student Instructor: Tanya Byker, tbyker@umich.edu , 105 Lorch Hall

Class Meeting Time and Place:

Tuesday and Thursday 10:00-11:30, 1570 CC Little (computer lab)

See UM CTools web site for office hours and announcements (<https://ctools.umich.edu>).

Course Description:

This course uses an economic perspective to analyze the dramatic changes in fertility, mortality, marriage, and household structure in recent decades in both industrialized and developing countries. The course includes a computer lab component built around statistical analysis of household survey data. Students will use the statistical package Stata to analyze demographic and economic change in the United States and other countries, applying recent innovations in the application of microeconomic theory and econometrics to the analysis of demographic behavior, labor markets, poverty, and inequality. Topics include: economics of fertility and marriage; economic and demographic analysis of population growth; intergenerational transmission of income inequality; impact of changing age structure on social security systems. Coursework includes: computer-based problem sets and writing exercises; a paper based on computer analysis of household survey data; written midterm and final examinations.

Prerequisites: Economics 401. Students are expected to have a basic familiarity with intermediate microeconomics. Given the emphasis on statistical analysis in the course, Economics 404 or 405 are strongly recommended. Familiarity with computer statistical packages will be useful but is not required.

Course Material:

There is no text book or course pack. All readings are available through the CTools web site for the course.

Grading: Required work for the course consists of the following:

- A 15 page term paper (counts for 30% of grade).
- A mid-term exam (counts for 25% of grade)
- A final exam (counts for 35% of grade)
- Problem sets throughout the course (10% combined). Problem sets will generally be due on Tuesdays at 11:45 p.m. We encourage collaboration on problem sets, but each student must write up a separate problem set for submission.

Upper-Level Writing Requirement: Writing requirements are the same for all students in the class.

Writing assignments include the problem sets and the term paper. The grade on the first draft of your term paper counts for 30% of the final paper grade. Note that you must get a grade of C- or better in the course in order to satisfy the upper-level writing requirement.

Important Dates:

Tuesday October 4:	Term paper proposal due
Thursday October 20:	Mid-term exam
Tuesday November 8:	First draft of term paper due at 5:00 p.m. (posted to CTools and hard copy delivered to Tanya Byker in Lorch 105)
Wednesday December 14:	Final term paper due at 5:00 p.m. (posted to CTools and hard copy delivered to Tanya Byker in Lorch 105)
Friday December 16:	Final exam

Outline of Lectures and Reading List
 (* indicates required readings, other readings optional)

Tuesday September 6**Overview of Demographic Rates and Population Dynamics**

- *Carl Haub and James Gribble, "The World at 7 Billion," Population Reference Bureau *Population Bulletin* v. 66, no.2, July 2011.
- *Population Reference Bureau, 2011 World Population Data Sheet: The World at 7 Billion.
- Population Reference Bureau, "Transitions in World Population," *Population Bulletin* v. 59, no.1, 2004, pp. 1-20.

Thursday September 8**Historical Patterns of Demographic and Economic Change**

- *T. Paul Schultz, Chapter 2, "Preindustrial Equilibrium: A Malthusian Perspective," pp. 9-33, in *Economics of Population*, Addison-Wesley, 1981.
- *Ronald Lee, "The Demographic Transition: Three Centuries of Fundamental Change," *Journal of Economic Perspectives*, 17(4), Fall 2003, pp. 167-180 (remainder of paper included below).
- *David Bloom, "7 Billion and Counting," *Science*, July 2011.

Tuesday September 13**The Demographic Transition and Economic Impact of Rapid Population Growth**

- *David Lam, "How the World Survived the Population Bomb: Lessons from 50 Years of Extraordinary Demographic History, Population Studies Center Research Report 11-743, University of Michigan, August 2011.
- **"The end of cheap food," *The Economist*, December 6, 2007.
- **"Malthus, the false prophet," *The Economist*, May 15, 2008.
- **"Feeding the World," *The Economist*, February 24, 2011.

Thursday September 15**Computer Lab: Introduction to Stata and census data (Problem Set 1 assigned)****Tuesday September 20****Computer Lab: Descriptive statistics, do files****Thursday September 22****Computer Lab: Advanced descriptive statistics, graphing (Problem Set 2 assigned)****Tuesday September 27****The Economics of Fertility: Quantity-Quality**

- *V. Joseph Hotz, Jacob Klerman, and Robert Willis, "The Economics of Fertility in Developed Countries," in M.R. Rosenzweig and O. Stark, *Handbook of Population and Family Economics*, 1997, pp. 292-298.
- *Gary Becker and H. Gregg Lewis, "On the Interaction between the Quantity and Quality of Children," *Journal of Political Economy*, March 1973: pp. S279-S288.
- Gary Becker, "Nobel Lecture: The Economic Way of Looking at Behavior," *Journal of Political Economy*, June 1993, pp. 385-409.

Thursday September 29 (Problem Set 3 – Term Paper proposal – assigned)**Computer Lab: Overview of IPUMS-I data sets****Tuesday October 4 (Term Paper Proposal due)****Fertility and Investments in Children in Developing Countries**

- **"Go forth and multiply a lot less," *The Economist*, October 29, 2009.
- *David Lam and Suzanne Duryea, "Effects of Schooling on Fertility, Labor Supply, and Investments in Children, With Evidence from Brazil," *Journal of Human Resources*, Winter 1999, 34(1): 160-192.

*David Lam, "Evolutionary Biology and Rational Choice in Models of Fertility," in Kenneth W. Wachter and Rodolfo Bulatao, editors, *Offspring: Human Fertility Behavior in Biodemographic Perspective*, National Academies Press, Washington, D.C., 2003, pp. 322-338.

Thursday October 6

Computer Lab: Introduction to regression (Problem Set 4 assigned)

Tuesday October 11

Human Capital Investments and Earnings

*Francine Blau, Marianne Ferber, and Anne Winkler, "Difference in Occupations and Earnings: The Human Capital Model," Chapter 6 in *The Economics of Women, Men, and Work*, Prentice Hall, 2005.

*Kermyt Anderson, Anne Case and David Lam, "Causes and Consequences of Schooling Outcomes in South Africa: Evidence from Survey Data," *Social Dynamics* 27(1): 137-59, 2001.

Thursday October 13

Computer Lab: More regression: Earnings equations

Tuesday October 18

Fall STUDY Break – No Class

Thursday October 20

Mid-term Exam

Tuesday October 25

Poverty and Inequality

*Hilary W. Hoynes, Marianne E. Page, and Ann Huff Stevens "Poverty in America: Trends and Explanations," *Journal of Economic Perspectives*, Winter 2006, pp. 47-68.

Shaohua Chen and Martin Ravallion, "The Developing World Is Poorer Than We Thought, But No Less Successful in the Fight against Poverty," *Quarterly Journal of Economics* 2010.

Thursday October 27

Computer Lab: Measuring poverty and inequality (Problem Set 5 assigned)

Tuesday November 1

The Demography and Economics of Age Structure

*David Lam, "The Demography of Youth in Developing Countries and its Economic Implications," World Bank Policy Research Working Paper #4022, October 2006 (background paper for the 2007 World Development Report).

*Ronald Lee, "The Demographic Transition: Three Centuries of Fundamental Change," *Journal of Economic Perspectives*, 17(4), Fall 2003, pp. 180-190.

*Ronald Lee, "The Formal Demography of Population Aging, Transfers, and the Economic Life Cycle," in Linda Martin and Samuel Preston, editors, *Demography of Aging*, Washington: National Academy Press, 1994, 8-49.

Thursday November 3

Computer Lab: Age Pyramids and Analysis of Age Structure

Tuesday November 8 (First draft of term paper due at 5:00p.m. in Tanya Byker's office)

Women's Labor Force Participation and Fertility in the U.S.

*Claudia Goldin, "The Quiet Revolution That Transformed Women's Employment, Education, and Family," *American Economic Review*, 2006. 96(2): 1-21

Martha Bailey, "More Power to the Pill: The Impact of Contraceptive Freedom on Women's Life Cycle Labor Supply," *Quarterly Journal of Economics*, February 2006, pp. 289-320.

Thursday November 10**Is There an Opt-out Revolution?**

Lisa Belkin, "The Opt-Out Revolution," *New York Times*, October 26, 2003.

*Tanya Byker, "The Opt-Out Continuation: Education, Work, and Motherhood 1984-2008," University of Michigan, August 2011.

Tuesday November 15**Economics of Marriage**

*Gary Becker, "A Theory of Marriage: Part I," *Journal of Political Economy*, July/August 1973, pp. 813-836, 841-846.

*Betsey Stevenson and Justin Wolfers, "Marriage and Divorce: Changes and their Driving Forces," *Journal of Economic Perspectives*, Spring 2007, 21(2): 27-52

David Lam and Robert Schoeni, "Family Ties and Labor Markets in the United States and Brazil," *Journal of Human Resources*, Fall 1994, 29(4): 1235-1258.

Thursday November 17**Computer Lab: Analyzing Marriage and Families****Thursday November 22****Economic Links Between Generations**

*Gary Becker, "A Theory of Social Interactions," *Journal of Political Economy*, 82(6), Nov.-Dec. 1974, pp. 1063-1093.

Gary Becker and Kevin Murphy, "The Family and the State," *Journal of Law and Economics*, April 1988, pp. 1-18.

Thursday November 24**Thanksgiving, No Class****Tuesday November 29****Economics of HIV/AIDS**

*Anne Case and Cally Ardington, "The Impact of Parental Death on School Outcomes: Longitudinal Evidence from South Africa," *Demography*, 43(3): 401-420, August 2006.

UNAIDS Report on the global AIDS epidemic, World Health Organization, 2006.

Kalanidhi Subbarao and Diane Coury, "Reaching out to Africa's Orphans," World Bank, 2004.

Thursday November 17**Computer Lab: Analyzing the impact of orphanhood****Tuesday December 6****Experimental evidence on returns to education**

*Robert Jensen, "The (Perceived) Returns to Education and the Demand for Schooling", *Quarterly Journal of Economics*, May 2010.

Esther Duflo, "Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment," *American Economic Review*, September 2001.

Thursday December 8**Computer Lab: Effective presentation of data in term papers****Tuesday December 13****Discussion of the future of the world****Wednesday December 14****Term papers due at 5:00 p.m.**

Electronic copy posted to CTools and printed copy handed in to Tanya Byker's office

Friday December 16**Final exam 4:00 p.m. – 6:00 p.m. (location to be announced)**